

SPEECH

Miss. Hart-

1782-1838 OF

MR. BENTON, OF MISSOURI.

In Senate, January 6, 1840—On Mr. BENTON's resolutions against the constitutionality and expediency of assuming, or providing for the payment of the State debts, or diverting the land revenue to that object, viz:

"Resolved, That there is nothing in the Constitution of the United States which can authorize the legislative power of the Union to assume the debts of the States which have been contracted for local objects and State purposes.

"2. That the assumption of such debts either openly, by a direct promise to pay them, or disguisedly by going security for their payment, or by creating surplus revenue or applying the national funds to pay them, would be a gross and flagrant violation of the Constitution, wholly unwarranted by the letter or spirit of that instrument, and utterly repugnant to all the objects and purposes for which the Federal Union was formed.

"3. That, besides its flagrant unconstitutionality, such assumption would be unjust, unwise, impolitic, and dangerous, compelling the non-indebted States to incur burthens for others which they have refused to incur for themselves; diverting the national funds from national objects to State objects, and thereby creating a necessity for loans or taxes, or issues of Federal paper money to supply the place of the funds so diverted; prostrating the barriers of economy, moderation, and safety, in the creation of State debts by separating the function of contractor from that of payer of the debt, extinguishing the sense of responsibility in the contractor, and making the Federal Government the ultimate payer of all the obligations contracted by the States for their own purposes; establishing a dangerous precedent which must soon be followed up by new debts on the part of the States, and new assumptions on the part of the Federal Government; invading the rights and mortgaging the property of posterity, and loading unborn generations with debts not their own; creating a new national debt of large amount at the start, and of a nature to increase continually its own amount, and to perpetuate its own existence; begetting a spirit in Congress which must constantly cater for new distributions by preventing necessary appropriations, and keeping up unnecessary taxes; laying the foundation for a new and excessive tariff of duties on foreign imports to fall unequally on different parts of the Union, and most heavily on the planting, grain growing, and provision raising States, to their manifest injury and propable great discount; involving disastrous consequences either to the Union itself or to its members, as tending to the consolidation of the States, and their ultimate abject dependence on the Federal head as the fountain of their supplies; or, tending to the annihilation of the Federal head itself by stripping it of all its means of national defence and self-support, and reducing it to the helpless imbecility of the old Confederation; giving a new impulse to the delusive career of the paper system, already in a state of dangerous overaction; ensuring the establishment of another National Bank; and, finally, begetting a passion for periodical distributions of lands and money, and extensions of Federal credit, which could find no limit to its demands until the national domain was exhausted, the Federal Treasury emptied, and the credit of the Union reduced to contempt.

"4. That the debts of the States being now chiefly held by foreigners, and constituting a stock in foreign markets greatly depreciated, any legislative attempt to obtain the assumption or securityship of the United States for their payment, or to provide for their payment out of the national funds, must have the effect of enhancing the value of that stock to the amount of a great many millions of dollars, to the enormous and undue advantage of foreign capitalists, and of jobbers and gamblers in stocks, thereby holding out inducement to foreigners to interfere in our affairs, and to bring all the influences of a moneyed power to operate upon public opinion, upon our elections, and upon State and Federal legislation, to produce a consummation so tempting to their cupidity, and so profitable to their interest.

"5. That foreign interference and foreign influence, in all ages, and in all countries, have been the bane and curse of free Governments: and that such interference and influence are far more dangerous, in the insidious intervention of the moneyed power, than in the forcible invasions of fleets and armies.

"6. That to close the door at once against all applications for such assumption, and to arrest at their source the vast tide of evils which would flow from it, it is necessary that the constituted authorities, without delay, shall RESOLVE and DECLARE their utter opposition to the proposal contained in the late London Bankers's circular in relation to State debts, contracted for local and State purposes, and recommending to the Congress of the United States to assume, or guaranty, or provide for the ultimate payment of said debts."

The resolutions having been read,

Mr. BENTON rose and said:

MR. PRESIDENT: I am an enemy to abstract resolutions, and if those which I present were of that character, I should not have offered them to the Senate. They appear to be abstract, but they are not. They appear to be mere declarations of principles; but they are, in reality, so many issues presented on great questions now occupying the public mind, destined soon to occupy the legislative halls, and the prompt decision of which is necessary to our successful action on other subjects.

The assumption of the State debts contracted for State purposes has been for a long time a measure disguisedly, and now is a measure openly, pressed upon the public mind. The movement in favor of it has been long going on; opposing measures have not yet commenced. The assumption party have the start, and the advantage of conducting the case; and they have been conducting it for a long time, and in a way to avoid the name of assumption while accomplishing the thing itself. All the bills for distributing the public land revenue—all the propositions for dividing surplus revenue—all the refusals to abolish unnecessary taxes—all the refusals to go on with the necessary defences of the country—were so many steps taken in the road to assumption. I know very well that many who supported these measures had no idea of assumption, and would oppose it as soon as discovered; but that does not alter the nature of the measures they supported, and which were so many steps in the road to that assumption, then shrouded in mystery and futurity, now ripened into strength, and emboldened into a public disclosure of itself. Already the State Legislatures are occupied with this subject, while we sit here, waiting its approach.

It is time for the enemies of assumption to take the field, and to act. It is a case in which they should give, and not receive, the attack. The President has led the way; he has shown his opinions.

He has nobly done his duty. He has shown the evils of diverting the general funds from their proper objects—the mischiefs of our present connection with the paper system of England—and the dangers of foreign influence from any further connection with it. In this he has discharged a constitutional and a patriotic duty. Let the constituted authorities, each in their sphere, follow his example, and declare their opinions also. Let the Senate especially, as part of the legislative power—as the peculiar representative of the States in their sovereign capacity—let this body declare its sentiments, and, by its resolves and discussions, arrest the progress of the measure here, and awaken attention to it elsewhere. As one of the earliest opposers of this measure—as, in fact, the very earliest opposer of the whole family of measures of which it is the natural offspring—as having denounced the assumption in disguise in a letter to my constituents long before the London bankers' letter revealed it to the public; as such early, steadfast, and first denouncer of this measure, I now come forward to oppose it in form, and to submit the resolves which may arrest it here, and carry its discussion to the forum of the people.

The resolves which I offer, six in number, are not the decrees of a party, or even the result of a council, but the opinions of an individual Senator. I speak for myself in these resolutions. They contain the declaration of my sentiments on the momentous points to which they refer; and I am not authorized to say that they speak the sentiments of any other Senator. This declaration I think it proper to make, in order to exclude erroneous conclusions, and to prevent undue importance from being attached to my proceeding.

Let no one suppose that I am premature—that I begin too soon—and should wait until the friends of assumption shall bring forward their measure, and show us the shape and form they intend it to wear. If any one should so think and intimate, I must answer as I did to a similar objection ten years ago. I must answer as I did when it was objected that I had brought in my resolution too soon against the renewal of the charter of the Bank of the United States. Many Senators then thought me premature, and objected to entering upon the question until the stockholders should present their memorial and ask for an extension of their privileges. I refused to yield to this objection. I then said, if we waited till the Bank presented her application, we should wait till we were defeated; that she would never apply until she had organized victory; that she would see her majority before she asked for the vote—and would be ready to gallop through her bill for the recharter the day that she presented it. This is what I then said; and subsequent events proved its correctness. The country was saved, and barely saved, from the dominion of that institution, by beginning the contest when we did—by giving instead of waiting to receive the attack; by carrying the question to the people, and rousing up the public mind, and preparing it for the contest which soon began, and which seven long years have hardly seen terminated. So of this assumption, disguised as it may be with a proposition to divide the land revenue among the States. Immediate discussion, direct issues, and prompt

action, is what we want. The assumption party will not bring on the question, except at a time, and under a form, to favor their own wishes. They will not move here until they have first acted elsewhere. The State Legislatures will be the selected theatres of their operations; and anticipated judgments will be the object of their policy. This will be their course; ours should be the reverse. What we need is public discussion, prompt action, and a reference, before decision, to the judgment of the people. The adoption of the resolutions which I have brought in will give us these advantages; they will give us the advantages which we secured by precipitating the contest with the Bank of the United States.

This is one reason for prompt action in this case; but there is another of great weight, and which some experience in the business of legislation requires me to present, and to commend to the deliberate consideration of the Senate. It is the effect which a measure proposing to divert the land revenue from the current service, (for that is the form, I apprehend, which the assumption will take)—it is the effect which this proposition will have upon the legislative action of Congress upon other subjects. Assuredly its pendency will have a most pernicious influence on other bills; on the bills for the national defences, for the pacification of Florida, for the reduction of the price of the public lands, for granting pre-emptions, for abolishing the salt tax; and, generally, on all the bills which go to make adequate appropriations for national objects, or to get rid of unnecessary and burdensome taxation. The diversion of some annual millions from the Treasury will prescribe stinted appropriations for essential objects, the sacrifice of others, the retention of all our present taxes, and the speedy imposition of new ones. This is the language both of foresight and of experience. It is what a reasonable degree of forecast authorizes us to look for, and what the experience of our own body enables us to recollect in our past history. We have experience on this subject, bitter and recent experience, of the effect which the pendency of distribution projects exerts upon our legislation. I speak of the long session of 1835-'6, when two bills for distribution passed this body, one of which became a law; and when, in a session of seven months, the current bills for the public service were still lingering on the calendar, and many of a most important character were totally lost. As late as the 18th of June, in the session of 1835-'6, we had done little more than growl and wrangle for the spoils of the Treasury. On that day I felt it to be my duty to present to the Senate a view of the mischievous effects upon legislation which the distribution spirit had brought upon us; and this I did in the following words:

"Thus it is already; distribution has occupied us the entire session. A proposition to amend the Constitution, to enable us to make the division, was brought forward in the first month of the session. The land bill followed and engrossed months, to the exclusion of all national defence bills. Then came the deposit scheme, a variation of the former, which absorbs the remainder of the session. For nearly seven months we have been occupied with distribution, and the Senate has actually passed two bills to effect the same object and to divide the same identical money. TWO bills to divide money while ONE cannot be got through for the great objects of national defence named in the Constitution. We are now near the end of the seventh month of the session. The day named by the Senate for

the termination of the session, has actually passed by; the day of adjournment agreed upon by the two Houses is close at hand. The year is half gone, and the season for labor is half lost; yet what is the state of the general, the national, and the most essential appropriation bills? What is their state? Not a shilling is yet voted for fortifications—not a shilling for the ordnance—nothing for filling the empty ranks of the skeleton army—nothing for the new Indian treaties—nothing for the continuation of the Cumberland road—nothing for rebuilding the burnt down Treasury—nothing for the custom-house in New Orleans—nothing for extinguishing the rights of private corporators in the Louisville canal, and making that great thoroughfare free to the commerce of the West—nothing for the Western armory—nothing for arsenals in the States which have none—nothing for the extension of the circuit court system to the West and Southwest—nothing for improving the Mint machinery—nothing for keeping the Mints regularly supplied with metals for coining—nothing for the new marine hospitals—nothing for the expenses of the visitors now gone to the Military Academy—nothing for the chain of posts and the military road along the Western and Northwestern frontier. All these, and a long list of other objects, remain without a cent to this day; and those who have kept them off now coolly turn upon us, and say the money cannot be expended if appropriated! that it has become too late to use it, and that, on the first day of January next, it must fall into the surplus fund, and be divided! So much for the bills not passed. Of those passed, many of the most essential character have been delayed for months, to the great damage of individuals, and to the injury of the public service. Clerks and salaried officers have been borrowing money at usury to support their families, while we, wholly absorbed with dividing surpluses, were withholding from them their stipulated wages. Laborers at Harper's Ferry armory have been without money to go to market for their families; and some have lived three weeks without meat, because we must attend to the distribution bills before we can attend to the pay bills. Disbursing officers have raised money on their own credit to supply the want of appropriations. Even the annual Indian annuity bill has just got through! the Indians even—the poor Indians as they are wont to be styled—even they have had to wait, in want and misery for the annual stipends solemnly guaranteed to them by treaties. All this has already taken place under the deplorable influence of the distribution spirit; but this is not all that has taken place," &c.

This is history, copied from the facts. This is the experience of the Senate itself of the baleful influence of the distribution bills on the legislative action of Congress. While such bills are depending, all others are suspended, and many are sacrificed. They are a *veto* upon our legislative faculties. This we have seen and suffered; and this we must see and suffer again, unless assumption, in all its forms and disguises—assumption of State debts, which is the fruit of the policy, and the consummation of the policy, of tempting and seducing the States with distributions of public money—all this we must see again, and worse than this, unless assumption is rebuked and repulsed, and its fell spirit exorcised from our legislative halls. The first step towards doing any business, is to expel this intruder—to drive off this bird of evil omen—to chase away this harpy, which is come to flap its foul wings over our Capitol, and to croak its glutton notes for the spoil of our Treasury. This is our first duty. When we have got rid of this intrusive monster, we can then go on with the public business; until that is done, we can do nothing but growl and wrangle for the spoils of our country.

I trust, Mr. President, that I have now shown sufficient reasons for proceeding at once upon this subject—for moving thus early, and bringing in broad and direct resolutions; and for pressing the Senate to speedy and final action on the momentous subject of assuming or providing for the payment of the State debts. I feel that this preliminary point is made clear. What I next wish to show is, that I myself have some little right to take a lead in this business—that I am the earliest and most steadfast opposer, on this floor, of the policy

out of which this crowning measure of mischief has grown—and that, in now opposing ASSUMPTION, I am only opposing the CHILD OF DISTRIBUTION, which I was the first to oppose here, and that on the first day of its appearance in this chamber; and have continually made head against it since, regardless of personal popularity, and undismayed by the small minorities in which I was often left. This assertion, sir, is no poetical license; it is no rhetorical flourish; it is no fictitious or assumed self-commendation; but a history of the facts of the case from the journals of our proceedings. It is now twelve years, less one month, since a Senator from New Jersey, no longer a member of this body, brought in a bill for distributing money from the Federal Treasury among the States. On my motion, and the instant the author had resumed his seat, that bill was laid upon the table, there to lie during the remainder of the session. The ensuing session it was brought in again, and I was then one among several Senators who took the floor, and spoke against it. In company with the Senators HAYNE, BRANCH, BERRIEN, SMITH of Maryland, JOHNSTON of Louisiana, McLANE of Delaware, and KANE of Illinois, I spoke against that bill; and the temper of the Senate was then such that it was easily disposed of, and without the test of a vote upon its merits. I deem it material to the present state of the question to look back to this origin of the distribution policy—to see the original naked bill for that purpose—and to mark how easily there has since been accomplished, under a disguised form, what could not then be countenanced in a naked proposition. This is the bill brought in by Mr. DICKERSON at the session of 1826-7, to distribute among the States a part of the revenue of the United States.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be authorized and required, under such regulations as he may think proper to prescribe, to divide annually among the several States of the Union, in the ratio of direct taxation, all moneys in the Treasury, not otherwise appropriated, on the first day of June next, and on the first day of June in every succeeding year."

"Sec. 2. And be it further enacted, That, of the annual sum of ten millions of dollars, appropriated to the sinking fund by the second section of the act of the third of March, one thousand eight hundred and seventeen, entitled 'An act to provide for the redemption of the public debt,' five millions be appropriated to the fund to be divided among the States; as by the first section of this act, annually, after the year one thousand eight hundred and twenty-nine; and that so much of the residue of the said annual sum of ten millions of dollars, as shall not, on the first day of June of any year, have been applied to the redemption of the public debt, shall be appropriated to the fund to be divided among the States as aforesaid."

In the brief debate to which this bill gave rise, I took part, not in a formal speech—for I was then, comparatively, a young member—but in a few remarks, which I propose to read now, for the double purpose of showing what my sentiments were then, and also to show, from history, the disastrous consequences of the funding system, now adopted by so many of our States, in creating debts for posterity to pay, and to exhaust, with annual interest, the resources both of the present age and of unborn generations. These were my remarks:

"Mr. BENTON rose, not to make a speech, but to read some extracts from a debate in the British House of Commons, about one hundred years ago, on a proposition of the same kind as that which now occupied the deliberations of the Senate. England then had a small debt, not much larger than the debt of the United States was at present; she had a sinking fund also, under the operation of which her debt was annually

melting away; and she enjoyed a season of peace—the long peace under the timid administration of Sir Robert Walpole, in which the debt might have been paid off. The circumstances of the two countries, with respect to their debt, were as alike as possible; that is to say, the condition of England one hundred years ago, and that of the United States now. In these circumstances, Sir Robert Walpole made a motion to divert £500,000 from the English sinking fund, as the Senator from New Jersey [Mr. DICKERSON, who Mr. B. was sorry to name in company with Sir Robert Walpole] now proposes to divert five millions annually from our sinking fund. The motion of the English minister was supported by all the common place arguments in mitigation and in favor of the public debt, as, that a debt increased the wealth of a country, and gave stability to the Government; that the then debt of England was inconsiderable, and might be paid at any time; that the public creditors were in no hurry to receive, and that the money, for the present, could be used more beneficially for other purposes. The opposition members, however, from whose speeches I propose to read extracts, were opposed to all these doctrines. These members were the Iron Barons of the day, such as Lord Chatham afterwards contrasted with the Silken Barons of a later period. They had the best of the argument, and their prophecies, unhappily for their country, have become its history. But the minister had the best of it at voting, and his motion prevailed. He succeeded in violating the sinking fund—in diverting one-half of its amount from its proper object, to objects of transient interest and subordinate importance. The consequence were such as had been foretold by the Iron Barons.

The season of peace passed away; the long and timid administration of Walpole itself passed away; the debt was unpaid; successive wars came on; and the debt, which was then made so light of by the minister, rapidly grew up to a frightful amount; soon overwhelmed the country with taxes, and banished all idea of ever seeing it paid. The example, Mr. B. hoped, would not be lost upon the United States, the child of England. The experience of the mother, he humbly trusted, would not be lost upon the daughter, as the experience of parents too often is lost upon their children. History was said to be philosophy teaching by example; he hoped this moral and sublime teacher would not lavish her lessons in vain upon the American Senate.

Mr. B. joined in the wish expressed by the Senator from South Carolina, [Mr. HAYNE,] that the debt of the United States might be paid off under the ensuing Administration. He concurred with that Senator in the measure of the new fame which such a consummation would confer upon General Jackson.

Observing some Senators to smile, Mr. B. spoke up with animation and vehemence, repeating what he had said, and even going so far as to say that the new President would have as hard, or harder work, in baffling the enemies to the payment of the debt, than he had in vanquishing the British at New Orleans; for there he had his enemy in front, and saw what he was at, but here he would have his opponents on his flank and rear, covered up in masks and disguises, laboring to accomplish what would not be avowed. No one would now stand up and say, 'a public debt was a public blessing,' but many would practise upon the maxim, and endeavor to perpetuate ours, by withholding the means of paying it; by abolishing duties beforehand, and preventing the acquisition of revenue, or by squandering it upon all sort of objects.

Mr. B. then read the following extracts from the debates to which he alluded:

SIR WILLIAM PULTENEY.—"The Sinking Fund, that sacred deposit for extinguishing the duties and abolishing the taxes which lie so heavy on the trade, and on the people of this nation, ought never to be touched; no consideration whatever ought to prevail with us to convert that fund to any use, but that for which it was originally designed. It has, of late, been too often robbed—I beg pardon, sir, robbing is a harsh word, I will not say robbed—but I must say, that, upon several occasions, there have been considerable sums snipped away from it."

SIR JOHN BARNARD.—"The creditors of the public are, perhaps, at present unwilling to be paid off, because they have a greater interest for their money from the public than they can have any where else. But, let their inclinations be what they please, it is certainly the interest of the nation to have them all paid off; the sooner it is done, the happier it will be for the nation, and, therefore, no part of what is appropriated to their payment ought to be converted to any other use. Their unwillingness to receive payment is so far from being an argument against paying them, that, on the contrary, it shows that they have a better bargain from the public than they can, in the same way, have from any other person."

SIR WILLIAM WYNDHAM.—"The Sinking Fund is a fund I have always had the greatest veneration for; I look on it as a sacred fund, appropriated to the relieving the nation from that load of debts and taxes it now groans under."

I have, indeed, been always afraid

that some enterprising minister might be tempted to seize upon it, or some part of it, in time of war; but I little dreamt of seeing any attempts made upon it in a time of the most profound tranquillity. It is to me a melancholy consideration to think of the present vast load of the national debt—a debt of no less than forty-five millions and upwards, and that all contracted since the Revolution, (1688.) This must be a melancholy consideration to every gentleman that has any concern for his country's happiness; but if the motion now made to us shall be agreed to, how dismal will this consideration be rendered, when we reflect upon the little appearance there will then be of this debt's ever being paid. Is the public expense never to be lessened? Are the people of England always to pay the same heavy and grievous taxes? Surely, sir, if there is ever a time to be looked for of easing the people of this nation, the present is the time for doing it.

To this the motion now made is directly contrary; for, the not paying off an old debt is the same as contracting a new one, and subjects the nation to the same expense with respect to the payment of the interest."

MR. TAYLOR, member for Petersfield, observed, "That there are some people in the nation, who, the more they owe, the greater advantage they make, and the richer they grow—such are the bankers; that by the motion made to the House, one might imagine that some gentlemen took the case of the nation to be the same; but, for his part, he could not think so, and, therefore, differed from the motion."

I repeat it: I read these brief remarks, made so many years ago, for a double purpose—for the purpose of showing my early opposition to public debts, and to distributions of public money, and to show the extreme danger of permitting a public debt to take root in the policy, and fasten itself upon the resources, of a country. Both the States and the United States have need of this admonitory lesson at present; the former, to check them in their flying career of debt; the latter, to warn it from encumbering itself with the new debt, which is sought, under a British lead, to be thrown upon it.

I now proceed to the consideration of the resolutions which I have submitted, and shall pass over the first one, which declares the unconstitutionality of the Federal assumption of State debts which have been contracted for State purposes. I shall pass over this resolution, and dispense with all argument upon the proposition which it contains, because naked assumption is not the form in which we shall have this danger to meet. It is disguised assumption we shall have to encounter. It is the national domain which is to be made the cloak for the operation; and this is what I declared to my constituents, in the month of June last, in a letter written three hundred miles beyond the Mississippi, and six months before the letter of the London bankers had revealed the scheme to the American public. This is an extract from the letter:

"I have many other objections to this unconstitutional, demoralizing, debauching, and oppressive scheme of dividing the proceeds of the public lands; too many for bare enumeration in a letter, and I can only mention one of them; namely, *that it is a disguised assumption of the State debts!* Unfortunately, eighteen States of the Union have gone one hundred and seventy millions of dollars in debt, principally to England, under the delusive idea of clearing the interest by banking and railroad making, and with the unjust view of throwing the payment of the principal upon posterity. If this immense sum had been received in gold and silver, I should still deem it an unfortunate business for most of the States, especially for all the new ones. But it has not been so received. It has been received (generally) in British dry goods, which are worn out and gone; and in Eastern credits and paper money, which last about as long as a summer's snow. The bonds are usually sold to Eastern banks for British capitalists. Drafts are drawn upon those banks, and sold to merchants, who pay for the draft in current paper, and receive the amount in British dry goods in Eastern cities, which are sold to the people and worn out. This is the general history of the sale of State bonds; a mere delusion as to borrowing money and obtaining capital; a sad reality as to loading the State with debt. The thing borrowed is gone; the State debt, and its exhausting interest, remain; and now this distribution project is a disguised assumption

of those debts. When General Hamilton proposed the assumption of the debts of the indebted States in 1791, he did it openly, and arrayed the two parties (Federal and Republican) upon it, and carried the measure by an open bargain in Congress, (in locating the permanent seat of Government.) Mr. Jefferson has described that transaction in colors which should make every Republican shudder; but here is a disguised attempt at the same thing, without one single extenuating circumstance which was then pleaded. But I pause. I quit this subject until I shall meet it in Congress."

This is what I wrote six months ago, and now we are in the presence of the danger which I then announced. Disguised assumption is the enemy we have to combat. Breach of the Constitution by elusion and circumvention, not by direct invasion, is the danger that threatens us. Both forms of violation are equally vitious and reprehensible, and the former far the most common and successful. Of this we have signal and recent instances in our own body, and on the very subject which now occupies our attention. When a Senator of New Jersey, fourteen years ago, brought in a bill for a direct and naked distribution of public money among the States, it received no manner of countenance, and was quickly, and almost unanimously, disposed of. When the same object was afterwards proposed in the shape of a land revenue distribution bill, it made its way through both Houses of Congress, and was only arrested by the firm hand of President Jackson. Finally, when the self-same scheme made its appearance in the garb of a deposite bill, it not only passed both Houses, but passed the President's hand also, and became the law of the land. Thus elusion and circumvention are the most common, and far the most successful, mode of getting rid of constitutional inhibitions. They are, besides, far the most ancient. As far back as history goes—as long as fundamental laws and constitutions have been known—just so long the practice of evading them has been familiar and notorious. Majorities have been found in all ages and in all countries to elude what they could not attack, and to circumvent what they could not surmount. Of this the history of the Athenians furnishes the finest example that I have any where seen. That ingenious people were able to excel in many things, and, among the rest, in the art of trampling under foot their most sacred laws, while professing towards them a derisory fidelity and a mock respect. The instance to which I refer is that of the admission of Demetrius, the son of Antigonus, into all the degrees of the Eleusynian mysteries in a single day, when the laws required a whole year for the consummation of the admission. Demetrius demanded to be admitted in a day; the laws prescribed a year; so that here was a great difficulty. To satisfy the Prince, then all powerful in Greece, and to comply with the sacred laws which they were sworn to observe, seemed to be impossible; but, by an ingenious conception, the difficulty was evaded, sacrilege avoided, and Demetrius gratified. The invention was simply to change the name of the month at each successive degree of the initiation. This was done. Twelve months were compressed into a few hours; the admission became legal; and the happy inventor of the expedient received from the poets of the day the significant title of *Chronos-porthetes*, which signifies, I believe, *time-expurger*. Plutarch, in his *Life of Demetrius*, thus describes the operation:

"When Demetrius was preparing to return to Athens, he wrote to the Republic that, on his arrival, he intended to be ini-

tiated, and to be admitted immediately not only to the less mysteries, but even to those called intuitive. This was unlawful and unprecedented; for the less mysteries were celebrated in the month Anthesterion, and the greater in the month Boedromion; and none were admitted to the intuitive till a year at least after they had attended the greater mysteries. When the letters were read, Pythodorus, the torchbearer, was the only person who ventured to oppose the demand; and his opposition was entirely ineffectual. Socrates procured a decree that the month Munychion, which they were then in, should be called Anthesterion; after which Munychion was changed again into Boedromion. By these means Demetrius was admitted to the greater mysteries, and to immediate inspection."

It was thus, Mr. President, that Athenian ingenuity, some two thousand years ago, by a transposition of names, disembarassed a sacred college of its constitutional difficulties; but it required Athenian ingenuity to contrive an expedient so delicate and intellectual. Nothing so refined and spiritual can be expected in these prosaic and money-making times, and in this country, where so much of the genius of the age is directed to the literature of banking, and to the accurate descriptions of the alternate "tightness" and "looseness" of the money market. We can expect nothing like Athenian wit here. The nearest approach that I have seen to it was in this enlightened chamber, and on a recent occasion, when a division of the public money among the States being admitted to be unconstitutional under the word *distribute*, that word was gently deposed, and the word *deposite* enthroned in its place; after which the division of the money took place in the same manner as if the change of words had not been made.

I repeat, Mr. President, we are not to expect Athenian wit in our attempts to get rid of constitutional difficulties. Compared to their refined and spiritual inventions, our contrivances must appear coarse and bungling; and such, in fact, in too many instances, they have actually been. We have often bungled most clumsily in our attempts to circumvent our Constitution, and we can expect no better in future; and, of all the rude attempts of this kind which I have witnessed, none are more awkward and clumsy than that of undertaking to substitute a distribution of the land revenue among the States, for a distribution of the revenue generally, or for an open assumption of the State debts. It is all the same thing, and all ends in the same result. Sir, this whole scheme of dividing the public land revenue among the States is an indirect assumption of their debts. It is disguised assumption; and it is only another move on the chessboard of that distribution policy which has haunted our councils for so many years, in such a variety of forms, and which found its first success in the passage of the act to *deposite* the surplus revenue, as it was called, with the States of the Union.

The scheme which now occupies the capitalists, bankers, and stockjobbers of London, Paris, Amsterdam, Philadelphia, and New York, to obtain from the Federal Government the assumption, or a provision for the payment of the State debts, is the natural offspring of the distribution policy which infested this chamber for fourteen years, and finally succeeded, in the form of a deposite of surplus revenue with the States. In company with a small minority of half a dozen Senators, I made head against distribution in the disguise of a deposite, and delivered the history of the transaction, on the passage of the act, as accurately as it can be written now. I then said:

"At the end of some years, the nominal transaction will be rescinded; the certificates will all be cancelled by one general, harmonious, unanimous vote in Congress. The disguise of a deposit, like the mask after a play, will be thrown aside, and the delivery of the money will turn out to be, what it is now intended to be, a gift from the beginning. This will be the end of the first chapter."

This is what I said on Friday, the 18th day of June, 1836, the day on which the deposit act passed—*dies infaustus*, as the Romans would call it—unhappy day which witnessed the immolation of the Constitution, and the consummation of a policy big with the fate of this federative Union. I then said the nominal transaction of a deposit would be rescinded; the month of September, 1837, saw it rescinded. The deposit has become in form what it was from the beginning in substance—a gift of the money; and this conclusion is, what I called in my speech against it; the end of the first chapter. Assumption is the beginning of the second one; and here I am, standing on my old ground, to make head against the offspring of the measure which I opposed, in its seminal principle, fourteen years ago, and have continued opposing it ever since in all its successive stages, and in all its modifications of form.

I come at once to the point, and say that disguised assumption, in the shape of land revenue distribution, is the form in which we shall have to meet the danger; and I meet it at once in that disguise. I say there is no authority in the Constitution to raise money from any branch of the revenue for distribution among the States, or to distribute that which had been raised for other purposes. The power of Congress to raise money is not unlimited and arbitrary, but restricted, and directed to the national objects named in the Constitution. The means, the amount, and the application, are all limited. The means are direct taxes—duties on imports—and the public lands; the objects are the support of the Government—the common defence—and the payment of the debts of the Union; the amount to be raised is of course limited to the amount required for the accomplishment of these objects. Consonant to the words and the spirit of the Constitution, is the title, the preamble and the tenor of all the early statutes for raising money; they all declare the object for which the money is wanted; they declare the object at the head of the act. Whether it be a loan, a direct tax, or a duty on imports, the object of the loan, the tax, or the duty, is stated in the preamble to the act; Congress thus excusing and justifying themselves for the demand in the very act of making it, and telling the people plainly what they wanted with the money. This was the way in all the early statutes; the books are full of examples; and it was only after money began to be levied for objects not known to the Constitution, that this laudable and ancient practice was dropped. Among the enumerated objects for which money can be raised by Congress, is that of paying the debts of the Union; and is it not a manifest absurdity to suppose that, while it requires an express grant of power to enable us to pay the debts of the Union, we can pay those of the States by implication and by indirection?

Sir, our Constitution grew out of a want of money; it grew out of the want of money for general and national purposes; and it contains no grant of

power in relation to receipts and expenditures, except to raise and expend it for such purposes.

I meet the danger in its disguise of distribution, and repeat, there is no authority in the Constitution to raise money for distribution, or to distribute that which had been raised for other purposes. This results not only from the plain words of the Constitution, and the known purposes of forming the Federal Union, but also from the total silence of the Constitution upon a rule of distribution. There is a rule in the Constitution for raising money—none for dividing it. The Constitution has provided for the equality and uniformity of the levy; there is no provision for the equality and uniformity of a distribution: "*All duties, imposts, and excises, shall be uniform throughout the United States. * * No capitation, or other direct tax, shall be laid, unless in proportion to the census, or enumeration herein before ordered to be taken. * * No preference shall be given, by any regulation of commerce or revenue, to the ports of one State over another.*" Such are the injunctions of the Constitution in relation to the levy of money; such its care to provide for the uniformity and equality of the levy. But where is the rule for distribution? And what becomes of the equality of the levy, if that which is equally levied is unequally partitioned out? There is no rule given for the partitioners to go by; and that is a proof, among the many others, that no partitions of revenue—no partitions of any kind, money, land, or other property—was ever intended to be made. The framers of our Constitution were not bunglers, but skilful workmen—they were not apprentices, but master workmen. They did not close up their work upon one side, and leave it open upon the other. They did not commit the absurd and egregious folly of permitting that to be unequally divided which had been equally collected. If they had contemplated divisions of money or property, they would have given the rule to regulate them; not having done so, is clear proof they never contemplated such a thing; and we all know that any Constitution providing for such an event would have been scouted and scorned by every State in the Union.

No, sir; there is no rule in the Constitution for the distribution of any thing—money, lands, or goods. The framers of that instrument doubtless looked for no division of its effects in the lifetime of the Union. They doubtless expected the Union to die first; and, as that was an event which they intended to be remote, they made no provision for the contingency even then. They did not provide for the descent of the estate, much less for its partition in the lifetime of the owner. There is no rule to divide by; and, consequently, every mover of distribution has had to provide a rule of his own. The Senator from New Jersey, who brought in the first bill for this purpose, took the rule of the Constitution in the case of direct taxes; he would divide in the ratio of direct taxation. The land bills which followed took Federal numbers, but qualified with a preliminary distribution, of sometimes ten, and sometimes twelve per cent. to the new States. The deposit bill, differing from all these, took the vote of the States for President, and gave them shares of the money in proportion to the number of their Presidential votes. Such was the diversity among the bills. Finally, the rule agreed

upon was such as found its sanction in the will of the majority for the time being. The will of the actual majority fixed it; and the principle which regulated that will was the acquisition of the precise number of votes which was necessary to carry the bill. That was the rule they went by—acquisition of votes enough to pass the bill. This acquisition was either seductive or coercive. An increase of the distributive share was allowed to some, and their support was thus conciliated; the favorite bills of others, such as the graduation and pre-emption bills, and others for the benefit of particular States, were seized upon and crammed into the distribution bills, and their authors thus compelled to support them in these bills, or to vote against their own measures. This we have seen; this Senate has seen it; and we have seen the ratio for dividing the spoil become the subject of huckstering arrangement on this floor, and altered and changed in the face of the Senate, until the requisite number of votes could be conciliated, or coerced, to pass the bill through.

But it is contended that the land revenue stands upon a different footing from the custom-house, or direct tax revenue; and that Congress may do with one what it cannot do with the other. This is a fallacy and absurdity which will not bear the touch of inquiry. There is no more rule for dividing land revenue than any other revenue; and there is no difference in law, or in fact, between the different branches of the public income. When the land is sold, the money received is revenue, and is Federal revenue, and is in the Federal Treasury, and cannot be taken from that Treasury, except by an appropriation law; and that appropriation law is nothing more nor less than the application of so much money to some constitutional object. The appropriation law takes what it finds in the Treasury. No law of Congress can discriminate between the different receipts; no human touch can tell what dollars were received for lands, and what for customs and direct taxes. The discrimination is impossible as a mere matter of fact; it is unconstitutional as a matter of law; it would be a mockery if inserted in the law. Distributions are not expenditures, neither in common parlance, nor in the meaning of our Constitution; and no money can be drawn from our Treasury except for an expenditure.

The clause on which the distributionists relied, and in which the assumptionists must follow them, is that in which Congress is authorized *"to dispose of the territory and other property of the United States"*. The power of disposition is granted; but it is only for national purposes—for objects known to the Constitution—that Congress can dispose of this territory and of this property. Congress received it for national purposes, of which the first was to pay the debts of the Union. The early legislation of Congress declared this intent by pledging the lands to the redemption of the debt, and constituting the whole of the revenue receivable from it a part of the sinking fund for that object. The public lands have never fulfilled this destination. They have never paid the public debt, nor a shilling of it—not even its interest, or one shilling of its interest. They have been so managed, by waiting for inferior land to rise to the price of the first quality, that they have not met the expenses of purchases

and management. Instead of paying any part of the public debt, they are themselves in debt to the custom-house revenue for money taken from that source to assist in their acquisition and management. The public lands have cost the United States one hundred and twelve millions of dollars; they have brought into the Treasury one hundred and four millions; and of that sum twenty-eight millions have been distributed among the States under the deposit act. Deducting this amount, and they lack thirty-six millions of paying for themselves. They are in debt that amount to the customs; and the whole burden of the public debt has been thrown upon the customs also. The lands, by being held up at a fixed price, the bad and the good all at the same rate, have been so little productive as not even to pay for their purchase and management. The custom-house revenue has borne all the burthens; and to make it do so, enormous has been the sum obtained from it. Few people have an idea of the enormity of this sum, and that it amounts to seven hundred and thirty-one millions of dollars; and that after paying its own expenses. Seven hundred and thirty-one millions is the clear revenue from customs; and of that amount, no less than four hundred and thirty millions have gone to the public debt, Treasury notes inclusive, and its interest. Here is a table which exhibits the annual receipts of the Government from lands and customs, and the annual payments on account of the public debt, and purchases of land, and which verifies the statement which I have made.

This is the table in detail, (showing a large sheet.) but I only state the gross amounts under each head. They are:

For principal and interest of the public

debt	-	-	-	\$421,496,000
Receipts from customs	-	-	-	731,285,000
Receipts from lands	-	-	-	104,000,000
Purchase of lands	-	-	-	112,000,000

Three great errors, Mr. President, prevail in relation to the public lands; two of them errors of fact, one an error of constitutional law. They are fundamental errors, and lead to all the erroneous notions, and to all the erroneous movements which are now taking place, in Congress and elsewhere, in relation to the disposition of the public domain. These errors are, *first*, in supposing that the territorial cessions of the States were gifts of the soil to the Federal Government; *secondly*, in supposing that the cessions so made have fulfilled their destination in paying off the public debt; *thirdly*, in supposing that Congress is free from any constitutional restraint in disposing of these lands. These are radical and fundamental errors, leading to erroneous action in legislation; and they deserve the clear exposure which will utterly explode them. So far as fulfilling their destination in the payment of the public debt is concerned, that error is fully exploded. It has already been shown by authentic tables that the customs paid the public debt; that they both supported the Government, and paid the national debt; that the lands, in fact, have answered no part of their destination, not even having paid the expenses of their own acquisition and management. This makes that error clear the other two shall be as fully cleared up.

These are great points in the case, and I mean to

make them clear both in the fact and in the argument. It is an error to say that these lands, any part of them, were donations to the Federal Government—that they were gifts from the States. This is what is commonly said, but it is a mistake, and an error of fact; and upon this error the whole argument of the distributionists, and their offspring the assumptionists, has been built up. The United States have purchased all the lands they hold. They have paid the money, and a great price in money for them. No gifts, no donations, no gratuitous cessions of lands have been made to this Government; but with money from her Treasury has she bought and paid for the whole; and paid out for them more than they have yet paid back. This is my assertion, and here is the proof:

Purchase of Louisiana	-	-	\$15,000,000
Interest paid thereon	-	-	8,329,353
Purchase of Florida	-	-	5,000,000
Interest thereon	-	-	1,480,000
Paid to Georgia	-	-	1,250,000
Same purchase in Mississippi stock	-	-	1,832,000
Extinguishing Indian titles	-	-	72,000,000
Survey of public lands	-	-	3,250,000
Salaries and expenditures in the			
General Land Office	-	-	1,250,000
Land offices and officers	-	-	3,300,000
			<hr/>
			\$112,691,353

This is the purchase money paid; and it is all that I propose to count in this argument; for it is sufficient for the argument, though not all that belongs to the argument. The value of other lands given in exchange, and the cost of getting possession, both belong to the argument, and far exceed in amount the totality of the purchase money paid. Thus Florida cost, in money, \$6,480,000; but to this must be added Texas proper, and the country between the Red river and Arkansas which was given in exchange, and the cost of getting possession of Florida, which already three times exceeds the price of the country, and the possession not yet obtained. So of other purchases upon a smaller scale.

The whole amount of money received from the sales of lands, as I have shown heretofore, is but one hundred and four millions of dollars; so that here is a clear deficiency of eight millions of dollars under the head of paying for themselves. Add to this the twenty-eight millions distributed among the States, and the deficiency is thirty-six millions. And if to this we should still add, as we fairly might, the value of the lands given in exchange to Spain and the Indians, and the cost of getting possession of our purchases after we had made them, and the deficiency is many hundreds of millions. But I limit the argument to the sums paid out for purchases, and received back for sales.

Thus the lands are proved to have answered no part of their destination—to have paid no part of the public debt—not even to have defrayed the expenses of their own acquisition and management—and that they are at this time largely in debt to the customs. This is a charge upon them which they ought to pay; and it constitutes a strong objection to their alienation from Federal, and application to local, purposes. It is a strong objection, but not the strongest, to this alienation. A far stronger

one is found in the fact that all the lands held by the United States have been purchased; that they are PURCHASES, and not GIFTS; and have all been acquired by giving money for them. Now it is agreed that this money could not have been divided among the States before it was given for the land; and if so, is it possible that we can effect the division after it has been given for land by the simple process of reconverting the land into money? If so, then have we found out a most facile and flexible method of getting rid of Constitutional obstructions!

In round numbers the sum of one hundred and twelve millions have been paid for the public lands, and the largest part of that sum for these which are called donations. To the Indians there have been paid seventy-two millions of dollars, and this to extinguish their titles to the lands presented by the States to the Federal Government; and this independent of the annuities yet to be paid, and which represent a capital of several millions. These Indian purchases have cost far more than Louisiana and Florida put together. They result from the cessions of the States—cessions which have generally been treated as donations of the land, when they were nothing but a transfer of the right to purchase them from the Indians. The States did not own the soil; the Indians were the acknowledged owners. All that the States claimed in the soil was the right of purchase from the Indians, and that right they ceded to the United States. Some States would not cede that right, as Massachusetts and Connecticut; and these have held on to the soil, and have sold, or are selling it, for their own advantage. Massachusetts and Maine now derive an annual income from the sale of their lands. Connecticut has received a large sum from hers. It was Virginia and Georgia that made the largest and most effective cessions, which ceded the right of purchase to the most extensive territories; and dearly enough has the United States paid for the privilege of buying the Indian titles to what they ceded. Almost the whole of the seventy-two millions paid to Indians has gone for the extinction of their titles to the Virginia and Georgia cessions; a mere fragment of it has gone to the Indians of Florida and Louisiana. The Indians of the Southern States, and of the Northern West, have received almost the whole; and besides this, Georgia received in money and Mississippi land scrip \$3,082,000 for her cession, besides the obligation to extinguish the Indian title to their lands within her limits for her own benefit. Thus it is clear that the cessions from the States were not donations of land, but cessions of jurisdiction; with the transfer of the right to acquire from the Indians the soil within their ancient colonial boundaries, and which, in regard to the limits of the State, were generally ex-territorial. The sum paid to the Indians, and that paid to Georgia, make about seventy-five millions of dollars which the purchases of the Indian titles have cost us; while the purchases from France and Spain, the interest included, barely amount to thirty millions. The expense of managing the whole has amounted to about eight millions; making a total for the cost and management of the lands of about one hundred and twelve millions of dollars.

I have gone over these details to establish a fact, and which fact is vital to the argument, that the whole of the lands owned by the United States are purchases, not donations; that they represent money drawn from the Treasury and invested in land, and now wearing the shape of acres in the woods instead of dollars in the Treasury. This is a fact now established. Here, then, are one hundred and twelve millions of dollars laid out for land, and now represented by land. Here are one hundred and twelve millions of dollars converted into land; and this brings us to the great constitutional error on this point. Before it was so converted, every one admits that it could not have been divided among the States. Every one admits that. Now, the question is, can we divide the land? or, reconvert it into money, and divide the dollars? Can we cheat the Constitution by this transmutation? Can we cheat ourselves, and the country, by such specimens of legislative alchemy and political juggling? If so, we have discovered a very facile way of helping ourselves to all that the Treasury contains. We may begin with the one hundred and twelve millions at once, and then proceed, converting and reconvertng, buying land and selling land, until we have bought and divided that billion of acres, estimated at a billion and a quarter of dollars, which figured so largely in the debates on the land bills when they were first introduced, and when the national domain was presented as a bait to national cupidity.

This would seem to be enough; a billion and a quarter would seem to be enough; but it is only the beginning of what may be done under this new process of converting, and reconvertng, the Federal revenues, and then dividing them. It is the beginning only of what may be done in this new school of alchemy, with our Constitution in its crucible. The transmutation may be made to reach all other property owned, or to be owned, by the United States; for the same clause which gives Congress authority to dispose of the territory, also gives it authority to dispose of all other property, belonging to the United States. Here then is a new and boundless field for obtaining money for distribution. Forts, arsenals, armories, magazines, arms, and munitions of war; fleets, ships, docks, navy yards and naval stores; barracks and hospitals; public edifices of all kinds, including the Capitol in which we sit; light-houses; bank stock, canal stock, road stock; every thing, in fact, which comes under the name of property, and which we now possess, or may choose to acquire: all this may be thrown into the legislative crucible, transmuted from an unconstitutional to a constitutional subject of distribution, and forthwith partitioned out among the States. Bills to divide the proceeds of the sales of "*other property*" may then become as familiar to our legislation as bills to divide the proceeds of the public lands now are; and instead of limiting our distributions to the States, what is to prevent us from extending the favor to corporate bodies, to individuals, and to the children of meritorious parents? Once descended from the safe and elevated mark of national objects, where is the limit, where the boundary which is to arrest the downward course of the application of the national funds? Once admitted that Congress is free from all constitutional control in disposing of the "*terri-*

tory" and "*other property*" of the Union, and what is there to guard the application of unbounded means, directed by unbounded power? What is there to prevent largesses and benefactions, in the shape of national gratitude and national munificence, to warriors, statesmen, poets, sculptors, musicians? What to prevent hereditary provision for the support of families, in the shape of hereditary pensions to successive generations for ancestral services? We touch the confines of an hereditary pension list at this moment; having already an ancestral list which 44,000 names now encumber; and let it be granted to Congress to do what it pleases, uncontrolled by the Constitution, with the territorial domain, and all the other property of the Union, and from that instant a pension list of forty-four thousand names, and three and a half millions of dollars, will quickly be extended and increased, and stretched into the ranks of posterity. No, sir, no. There is no constitutional way to assume these State debts, or to pay them, or to endorse them, or to smuggle the money to the States for that purpose, under the pretext of dividing land revenue, or surplus revenue, among them. There is no way to do it. The whole thing is constitutionally impossible. It was never thought of by the framers of our Constitution. They never dreamed of such a thing. There is not a word in their work to warrant it, and the whole idea of it is utterly repugnant and offensive to the objects and purposes for which the Federal Union was framed.

Sir, I repeat it: The Federal Constitution grew out of the want of money for the uses of the Federal Government. It grew out of that want, and nothing else; and it contains no grant of power in relation to the collection or the application of money, except for the uses and purposes of the Federal Government itself.

Having established the constitutional objection to assumption, naked or disguised, and shown that here was no difference between diverting land revenue and any other Federal revenue to State purposes, and having especially exploded the three vulgar errors, that the lands were donations from the States, that they have fulfilled their destination in paying the public debt, and that the power of Congress is absolute and arbitrary over them; having done this, I proceed to the secondary class of objections; namely, the evils of the measure. These evils are in themselves so great so hostile to the general good, and so big with destruction to the Federal Union, that even if there was no constitutional impediment in the way, this measure of assumption, or provision for State debts, should be utterly rejected for its baleful consequences alone. And here it is proper to pause, to reflect, to look back upon the page of our own history, and to consult the experience of our own ancestors in relation to paying State debts, before we rush into the same business. We have had one assumption in our country, and that in a case which was small in amount, and free from the impediment of a constitutional objection; but which was attended by such evils as should deter posterity from imitating the example. It was in the first year of the Federal Government; and although the assumed debts were only twenty millions, and were alleged to have been contracted for general purposes, yet the

assumption was attended by circumstances of intrigue and corruption, which led to the most violent dissension in Congress, suspended the business of the two Houses, drove some of the States to the verge of secession, and menaced the Union with instant dissolution. Mr. Jefferson, who was a witness of the scene, and who was overpowered by General Hamilton, and by the actual dangers of the country, into its temporary support, thus describes it:

"This game was over, (funding the soldiers' certificates,) and another was on the carpet at the moment of my arrival; and to this I was most ignorantly and innocently made to hold the candle. This fiscal manœuvre is well known by the name of the assumption. Independently of the debts of Congress, the States had, during the war, contracted separate and heavy debts, &c."

This money, whether wisely or foolishly spent, was pretended to have been spent for general purposes, and ought therefore to be paid from the general purse. But it was objected, that nobody knew what these debts were, what their amount, or what their proofs. No matter; we will guess them to be twenty millions. But of these twenty millions, we do not know how much should be reimbursed to one State or how much to another. No matter; we will guess. And so another scramble was set on foot among the several States, and some got much, some little, some nothing.

This measure produced the most bitter and angry contests ever known in Congress, before or since the union of the States.

The great and trying question, however, was lost in the House of Representatives. So high were the feuds excited by this subject, that on its rejection business was suspended. Congress met and adjourned from day to day without doing any thing, the parties being too much out of temper to do business together. The Eastern members particularly, who, with Smith from South Carolina, were the principal gamblers in these scenes, threatened a secession and dissolution.

But it was finally agreed that whatever importance had been attached to the rejection of this proposition, the preservation of the Union, and of concord among the States, was more important; and that, therefore, it would be better that the vote of rejection should be rescinded; to effect which, some members should change their votes. But it was observed that this pill would be peculiarly bitter to the Southern States, and that some concomitant measure should be adopted to sweeten it a little to them. There had before been propositions to fix the seat of Government either at Philadelphia, or at Georgetown, on the Potomac; and it was thought that by giving it to Philadelphia for ten years, and to Georgetown permanently afterwards, this might, as an anodyne, calm in some degree the ferment, which might be excited by the other measure alone. So two of the Potomac members (White and Lee, but White with a revulsion of stomach almost convulsive) agreed to change their votes, and Hamilton undertook to carry the other point; and so the assumption was passed, and twenty millions of stock divided among the favored States, and thrown in as a pabulum to the stockjobbing herd. Still the machine was not complete; the effect of the funding system and of the assumption would be temporary; it would be lost with the loss of the individual members whom it had enriched; and some engine of influence more permanent must be contrived while these myrmidons were yet in place to carry it through. This engine was the Bank of the United States."

What a picture is here presented! Debts assumed in the mass, without knowing what they were in the gross, or what in detail—Congress in a state of disorganization, and all business suspended for many days—secession and disunion openly menaced—compromise of interests—intrigue—buying and selling of votes—conjunction of parties to pass two measures together, neither of which could be passed separately—speculators infesting the halls of legislation, and openly struggling for their spoil—the funding system a second time sanctioned and fastened upon the country—jobbers and gamblers in stocks enriched—twenty millions of additional national debt created—and the establishment of a National Bank insured: Such were the evils attending a small assumption of twenty millions of dollars, and that in a case where there was no constitutional impediment to be evaded or surmounted. What, then, must be expected when the assuming process is to begin with hundreds of

millions—is to reach a billion—is to cover, in the end, all sorts of State debts, and is to be attended with flagrant breaches, or derisory evasions, of the Constitution?

With this retrospective view of the mischiefs of a former assumption, in a case so much more mitigated, I proceed to the evils of the new one, disguised as a distribution of land revenue among the States, and a provision for the payment of their internal improvement debts. In taking up this class of objections, it is proper to show, in the first place, the nature and amount of the State debts for which the Federal aid or guarantee is claimed—the purposes for which they were created—their present value at home and abroad—and the proportions in which they are distributed among the several States. And here I avail myself of the valuable and authentic information collected by an eminent citizen of New York, the Comptroller of the State, Mr. Flagg. As late Comptroller, it became his duty, under the general banking law of the State, to issue circulating bank notes to banking companies on receiving from them pledges of State stocks. The proper execution of this duty required him to become acquainted with these stocks; and for this purpose he applied to the fiscal authorities of each State, and received the answers which he afterwards embodied into the document which now constitutes the magazine of information from which we all obtain our knowledge on this subject. His report showed the astounding sum of one hundred and seventy millions of debt contracted or authorized by eighteen of the States, (in reality by sixteen, as two of them owe but a trifle,) and that without counting the twenty-eight millions received on deposit from the Federal Government. This was above a year ago; and, taking into the calculation what may have been incurred since, with the Florida debt of five millions, and some other species of debt, the whole may now be estimated at more than two hundred millions of dollars. But confining my remarks to the amount which appears in the tables of Mr. Flagg, and it is seen that this large amount of one hundred and seventy millions of dollars of debt was found in the States of Maine, Massachusetts, New York, Pennsylvania, Maryland, Virginia, South Carolina, Alabama, Louisiana, Tennessee, Kentucky, Ohio, Indiana, Illinois, Missouri, Mississippi, Arkansas, and Michigan. Eight of the States of the Union, namely, New Hampshire, Vermont, Rhode Island, Connecticut, New Jersey, Delaware, North Carolina, and Georgia, enjoy the proud and enviable distinction of not finding their names on the indebted list. Maine and Missouri are only nominally on the unhappy list; the former having created but half a million of debt, and the latter having sent out her bonds too late to be sold, and a good portion of them remaining yet in the power of the State to recall and cancel. Sixteen may be taken then as the number of the indebted States, and 170 millions the amount which they owe; but of these sixteen, only thirteen are involved in the species of debt now proposed to be provided for, namely, the internal improvement debt.

We now take up the tables of Mr. Flagg.

The objects to which these 170 millions are applicable, and the amount for each object, are these:

For banking	-	-	\$52,610,000
For canals	-	-	60,201,551
For railroads	-	-	42,871,084
For turnpikes and McAdam roads	-	-	6,618,953
For miscellaneous objects	-	-	8,474,684

The proportions among the different States are:

Maine	-	-	\$554,976 00
Massachusetts	-	-	4,200,000 00
New York	-	-	18,262,406 84
Pennsylvania	-	-	27,306,790 00
Maryland	-	-	11,492,980 73
Virginia	-	-	6,662,089 00
South Carolina	-	-	5,753,270 12
Alabama	-	-	10,800,000 00
Louisiana	-	-	23,735,000 00
Tennessee	-	-	7,143,166 66
Kentucky	-	-	7,369,000 00
Ohio	-	-	6,101,000 00
Indiana	-	-	11,890,000 00
Illinois	-	-	11,600,000 00
Missouri	-	-	2,500,000 00
Mississippi	-	-	7,000,000 00
Arkansas	-	-	3,000,000 00
Michigan	-	-	5,340,000 00

The proportionate increase of the whole debt, in successive periods of five years and three years, from 1820 to 1833, is this:

From 1820 to 1825,	\$12,790,728
" 1825 to 1830,	13,679,639
" 1830 to 1835,	40,002,769
" 1835 to 1838, (say 3½ yrs.)	108,223,808

The detail of the debt, with the amount incurred by each State, for each object, is this:

STATES.	For Banking.	For Canals.	For Railroads.	For Turnpikes.	Miscellaneous.	Total.
New York	-	\$13,316,674	\$3,757,700	-	\$1,158,032	\$18,262,406
Pennsylvania	-	16,579,557	4,961,434	-	3,166,787	27,306,790
Massachusetts	-	-	4,200,000	-	554,976	4,750,000
Maryland	-	5,700,000	3,500,000	-	292,980	11,492,980
Virginia	-	3,875,370	2,128,900	284,800	313,139	6,662,089
South Carolina	-	1,550,000	2,000,000	-	5,753,270	9,303,270
Ohio	-	6,101,000	-	-	-	6,101,000
Kentucky	\$2,000,000	2,619,000	350,000	2,400,000	-	7,369,000
Indiana	3,000,000	990,000	7,400,000	1,150,000	300,000	11,600,000
Tennessee	1,389,000	6,753,000	26,000,000	-	-	11,890,000
Alabama	3,000,000	700,000	3,730,000	118,166	-	7,143,166
Mississippi	7,000,000	-	-	-	-	7,000,000
Louisiana	2,500,000	-	-	-	-	2,500,000
Arkansas	22,950,000	50,000	500,000	-	-	23,735,000
Michigan	310,000	2,500,000	2,020,000	-	220,000	5,340,000
Whole or part for improvement of river navigation:	\$52,610,000	\$60,201,551	\$12,871,084	\$5,618,953	\$8,474,684	\$170,806,177

among States and objects, and the progressive increase of these State debts. Having seen these particulars—having viewed the debt in its gross and in its detail—the next thing I propose to examine is to see what the States received in return for such enormous liabilities; what it is that represents these debts now at home; and what the debts themselves are worth in the stock market of foreign countries. And here I can say in grief, and with sorrow, that almost the whole amount of what the States received was British dry goods—mere British dry goods—not even groceries. I say it with grief, and with sorrow, that almost the whole amount of what the sixteen States received for their sterling bonds, bearing a sterling interest which will not be less than ten per cent. to the people who pay it, was British dry goods, which have been sold for paper money to construct roads and canals, and to build up paper system banks. This is what we have got for 170,000,000 of sterling debt. The process was about this: The bonds were sold for bank credits in Europe or the Atlantic cities; bills of exchange were drawn upon these credits in favor of merchants who took up the amount in dry goods; the bills of exchange were paid for by the merchants in paper money; and this paper money, after some time, returned to the banks from which it came. Thus, the whole operation was a circle of paper, going round and round in paper, and ending in its own extinction, and never emerging from the paper circle but once, and then to effect importations of British goods. The goods are worn out; the paper money has returned to the place from whence it came; the operation is over; and nothing remains of the transactions but the 170,000,000 of debt, its devouring interest, and the banks, canals and roads which represent it. The whole of these banks have failed once, and most of them twice, in two years; the greater part of the roads and canals are unfinished, and of those finished several are unproductive. And this is the history of the State debts, the burthen of which it is now proposed to cast upon the shoulders of the Federal Government. But the whole of these debts are not even the direct debt of the State, but a security debt incurred for companies, corporations, and individuals to whom the State credit, that is to say, the State bonds, have been lent to enable them to build banks, and make improvements, or engage in some speculative undertaking, for which they had no means of their own. A part of the State debt is in this form; and that part becomes doubly objectionable to me from its intrinsic unworthiness, and inherent vitiousness. I have yet to discover, in the Constitutions of such of the States as I have examined for the purpose, the power by which the Legislature undertakes to lend the credit of the State, that is to say, the labor and property of the people, to companies, corporations, and individuals, for their private advantage, and to make the community stand security for the success of their undertakings. I question the power in the States; I deny it where the authority cannot be shown; and I utterly deny it in the Congress of the United States. As to the wisdom of such loans and securityship, that may be seen in many instances, and especially in some Southern banks, and above all, in a certain railroad project in Florida, where the

Such are the amounts, and the distribution

Legislative Council first granted a charter for the road, and then furnished the bonds to build it, and wherein the corporators sold the bonds in Europe for iron, then obtained a remission of the duties from Congress, then sold the iron on their own account, and afterwards demanded more bonds for the commencement of the road. This, though an extreme case, is not the only instance which time will develop of the improvidence of such loans and securityships. Like many other lenders, the State may lose; like many other endorsers, she may have to pay. The undertaking may fail in many instances; and a wasteful prodigality in spending the money so obtained must be expected in all. Yet these constitute a part of the State debts for the payment of which Congress will be called on to provide.

Such are the representatives of the State debts. These are what the States have realized in exchange for their sterling bonds and sterling interest. The best of the banks are doing but little; the best of the roads and canals are hardly paying repairs, management, and interest. The mass of these institutions and works may be thus characterized: Barren banks, which cannot lend; suspended banks, which will not pay; broken banks, which cannot pay; unfinished roads and canals, which are useless; finished ones, which are either bringing their owners in debt, or barely paying the expense of repairs, the cost of management, and interest upon the outlay. This is their condition. Their value at home is shown by the thermometer of the stock market, where they range at all the degrees below par, down to the freezing point of zero. In Europe, although backed by the credit of States, they rate from one-half to three-fourths of their nominal value; and this is the stock which the Federal Government is to be called upon to raise to par, or above it, for the benefit of the holders in Europe, while the representatives of this stock in America—the banks, the roads, and the canals—are to remain as they are, or to be galvanized into a new fit of ephemeral animation, by the battery of new debts, contracted abroad. It is for this that the assumption is to be claimed—no, not the assumption—that word will not be used here. The pen of Mr. Jefferson has stamped upon it an immortality of infamy, and it will not be repeated here. The public lands will be invoked for that purpose; and, by this indirection, the national domain will virtually be presented as a gift to the capitalists of Europe; and not to the capitalists only, but to the stockjobbing fry also—that pestilential spawn of the funding and paper systems—which, having so often mastered the Parliament of Great Britain, are next to try their hand on the Congress of the United States. A diversion of the national domain to the payment of these debts, would immediately raise them far above par—would be a present of 50 or 60 cents on the dollar, and of 50 or 60 millions in the gross—to the foreign holders, and, virtually, a present of so much public land to them. It is in vain for the bill to say that the proceeds of the lands are to be divided among the States. The indebted States will deliver their portion to their creditors; they will send it to Europe; they will be nothing but the Receivers General and the Sub-Treasurers of the bankers and stockjobbers of London, Paris, and of Amsterdam.

The proceeds of the sales of the lands will go to them. The hard money, wrung from the hard hand of the Western cultivator, will go to these foreigners; and the whole influence of these foreigners will be immediately directed to the enhancement of the price of our public lands, and to the prevention of the passage of all the laws which go to graduate their price, or to grant pre-emptive rights to the settlers.

Let us now take a rapid view of the evils of this assumption, disguised as it may be with the cloak of the national domain revenue for distribution, or with the drapery of a surplus revenue for division, or deposit, among the States. I have already grouped into a single assemblage of features the more prominent and palpable of these evils, and shall not stop to dilate minutely upon them now. The bare presentation of the picture is enough to fill the mind with the most painful and disquieting apprehensions. What more revolting than to compel the non-indebted States to incur burthens for others which they have refused to incur for themselves? What more shocking than this? Yet such is the proposition, disguise it as you may, which is to be brought before us. Fourteen of the States only are indebted for internal improvements; for four of those whose names are on the indebted list owe nothing on that head. Maine, Missouri, Mississippi, and Arkansas, owe nothing for roads and canals, to which Louisiana might be added; for she owes but a trifle on that head, little more than half a million of dollars. Here, then, are thirteen States which are in debt for internal improvements, the only kind of debts now proposed to be provided for, and thirteen which are not; and the proposition will be to make them all even by plunging the whole into the same degree of debt. It would be rather too monstrous to require the thirteen non-indebted to assume the one-half of the debts of the other thirteen. That would be rather outrageous. A different turn must, therefore, be given to the scheme; and the non-indebted States seduced into debt to an equal amount with the others, and then the whole of the States made paymaster for the whole of the debts. This is the fine scheme which is now to occupy us; and a national debt of three hundred millions created at once (for that is the sum computed to be wanting) to equalize the condition of the States in point of indebtedness. That which is now one hundred millions on thirteen of the States, is to be made three hundred millions on the whole; and these three hundred millions are to constitute the starting point of a new national debt, and the kernel of the new National Bank. Truly, we are but at the commencement of the "CREDIT SYSTEM."

What can be more obvious than that diversion of the land revenue from national to State purposes, will create a necessity for loans, or taxes, or issues of Treasury notes, to supply the place of the funds so diverted? The lands now produce six or seven millions annually, and, with a reduction of price, will produce an increased sum to meet the deficiencies of the custom-house revenue in the two last years of the compromise, which are now at hand. Both lands and customs barely meet the demands of the Government at this time; what then must be the state of the revenue in 1841 and 1842, if thrown exclusively upon the customs, then under-

going their last reduction, and sunk to an *ad valorem* duty of 20 per cent.? Doubtless the revival of a heavy tariff must ensue; and this is so obvious to every observer, that it must be assumed to be one of the objects of diverting the land revenue from Federal to State purposes.

What can be more demoralizing, more ruinous, and more destructive, not only to our Federal political system, but to the social and moral system itself, than to allow the States to create debts for their own purposes, and then club together and throw the payment of these debts on the Federal Government? What more fatal than this? The restraint upon the creation of debt is the obligation to pay it. Remove that restraint—separate the characters of contractor and payer—and all the barriers of economy, moderation and safety are broken down. The States are stimulated into debts which the Union is to pay; and the precedent once set, must be rapidly followed up by new debts on the part of the States, and new assumptions on the part of the Union. We begin with providing for internal improvement debts; quickly those incurred for banks are added. Then follow all those contracted for “*other purposes*,” even the security debts incurred by loans of credit to companies, corporations, and individuals, no matter how unwisely incurred, how extravagantly applied, and how wastefully squandered.

Touch these State debts in any way, no matter how—put your hand to the work in any form that you please—and from that moment you are in for the whole; and from that moment you assume the ultimate payment. Thus it was with the debt of this District, incurred for the Che-apeake and Ohio Canal. We passed an act in 1828, to enable the District to borrow the money. The sagacious men of this body—Mr. Macon, Mr. Van Buren, and others—opposed the act, upon the ground that the agent of the District would go abroad with that act in his hand, and show it to foreign capitalists; and although it contained no promise on our part to guaranty the payment, yet the United States would become involved in the transaction, and ultimately have to pay it all; and thus it happened. That debt, interest, and all, is now assumed by the United States. I was one of the few who opposed it, thanks to my association with Macon and Randolph, from whom I learnt my leading principles in political economy. I opposed that act, giving authority to this District to borrow money for the canal, on the ground that it would involve us in the transaction, and ultimately make us liable for the whole; and now I oppose any connection, disguised as it may be, with the State debts, on the same ground. Touch them, and we embrace them; put our finger to the work, and the shoulders follow; give them the proceeds of the public lands, and from that moment you have given the whole revenues and the whole credit of the United States. You have given all, in giving any thing; for all the rest would follow. Custom-house revenue and Treasury notes would soon be called in to supply the deficiency of the land revenue; and new debts would swallow up the whole resources of the Union.

What more unwise and more unjust than to contract debts on long time, as some of the States

have done, thereby invading the rights and mortgaging the resources of posterity, and loading unborn generations with debts not their own? What more unwise than all this, which several of the States have done, and which the effort now is to make all do? Besides the ultimate burthen in the shape of final payment, which is intended to fall upon posterity, the present burthen is incessant in the shape of annual interest, and falling upon each generation, equals the principal in every periodical return of ten or a dozen years. Few have calculated the devouring effect of annual interest on public debts, and considered how soon it exceeds the principal. Who supposes that we have paid near three hundred millions of interest on our late national debt, the principal of which never rose higher than one hundred and twenty-seven millions, and remained but a year or two at that? Who supposes this? Yet it is a fact that we have paid four hundred and thirty-one millions for principal and interest of that debt; so that near three hundred millions, or near double the maximum amount of the debt itself, must have been paid in interest alone; and this at a moderate interest varying from three to six per cent. and payable at home. Some of the States, on the contrary, engage to pay six or seven per cent. in London, which must require a levy of nine or ten per cent. from their citizens to raise and remit to the place of payment. The States counted on seeing this interest paid, and the debt itself ultimately redeemed, by the profits of the banks, the roads, canals, and jobbing companies, and projectors, for which and for whom they were contracted. Vain and illusory expectation! A few of the works may yield a profit, and realize the calculation made upon them; but as to the mass of these undertakings, they must sink upon the hands of the States. As to the banks, most of them must rot down on their foundations before the bonds are due upon which they were built; and as to the jobbers and projectors to whom the State credit was lent, most of them, when they have squandered the money for which the bonds were sold, will quietly leave the State to pay both principal and interest. Such is the improvidence of lending State credit, and contracting debts upon long time, and throwing their payment upon unborn generations. And this is what sixteen of our States have been doing, and what it is proposed to make the whole twenty-six now do. The British national debt owes its existence entirely to this policy. It was but a trifle in the beginning of the last century, and might have been easily paid during the reigns of the first and second George; but the policy was to fund it, that is to say, to pay the interest annually, and send down the principal to posterity; and the fruit of that policy is now seen in a debt of four thousand five hundred millions of dollars, two hundred and fifty millions of annual taxes, with some millions of people without bread, while an army, a navy, and a police, sufficient to fight all Europe, is kept under pay, to hold in check and subordination the oppressed and plundered ranks of their own population. And this is the example which the transferrers of the State debt would have us to imitate, and this the end to which they would bring us!

What can be more plain than that, in providing for these debts of the States, we beget a spirit which must constantly cater for the means of new distributions, by keeping down necessary appropriations, and keeping up unnecessary taxes? Of this we have experience for our instruction, as well as theory for our guide. The land distribution bills a few years ago, and the deposit bill of 1836, beget such a spirit in Congress, that all the fortification bills were lost for several years, and one of them actually sank between the Houses, after passing the Senate, by having a new deposit bill fastened upon it; and a bill for the repeal of three millions of dollars of taxes, including the salt tax, was also lost, while the complaint of the Treasury was an excessive revenue, and a surplus for which there was no use!

Who cannot see that the diversion of the land revenue from the Federal Treasury is to be attended with the immediate revival of the high protective tariff, falling unequally on different parts of the Union, and most heavily on the planting, grain growing, and provision raising States? and who does not see that the revival of that tariff is to give the highest discontent to the overburthened parts of the Union, and excite in their bosoms a deep and just degree of dissatisfaction?

Who so blind as not to see the disastrous consequences of bringing the States to the footstool of the Federal Government, to receive supplies from the public Treasury? Wasteful extravagance in their expenses, with ultimate abject dependence on the Federal head, with consolidation in its train, is one alternative of the consequences which presents itself; annihilation of the Federal head, by the loss of its revenues and property, which might be devoured by the States, is the other alternative of the same disastrous consequences. It may be a question which would occur—whether the States would be swallowed up by the Federal head, or whether the Federal head would be devoured by the States; most probably the latter; but one of them inevitably; and the result would be the same to our present frame of Government, be it which it might. We have encountered and surmounted many dangers; we have gone through many perils which tried the strength of our federative system; but of all the dangers we have surmounted, of all the trials we have gone through, there are none, in my opinion, which can compare with the perilous experiment of supplying the States out of the Federal Treasury.

Who does not see the new and fearful impulse which the assumption of the State debts, or a provision for their payment out of the general funds, must give to the delusive and destructive career of the paper system? Already in a state of frightful overaction, the votaries of that system deem nothing done while the Federal Government is free from its vortex. With nine hundred banks to emit paper money; with six hundred millions of authorized bank capital; with more than one thousand millions of stocks of all sorts; with five hundred banks in a state of suspension; with one hundred millions of depreciated bank paper, including post notes; with two hundred millions borrowed by eighteen States from Europe; with twenty-eight millions received on deposit from the United

States; with a mammoth bank of thirty-five millions, chartered for thirty years, the identical personification of the credit system, with its two bankruptcies in two years, its first duty to foreigners and its last to its own country, exporting ship loads of specie to these foreigners while refusing shillings to those who chartered it; with all this we are still at the commencement of the paper credit system. A national debt and a national bank are the two pillars of that system; and to obtain that debt and that bank is now the main object of pressing the State debts upon the Federal Government. Let that object be accomplished; let a new national debt be created and the new national bank grow out of it, and the credit system will quickly produce the fruits here which it has already borne in England, and where, in less than a century and a half, it has raised a national debt from twenty-one millions five hundred and fifteen thousand seven hundred and forty-two pounds thirteen shillings eight pence and two farthings, to nine hundred millions sterling; the annual taxes from four millions to forty-five millions sterling; the National Bank from one million two hundred thousand pounds, to fourteen millions; and, as a consequence of the whole, has filled the country with millionaires and beggars, with palaces and poorhouses. Give the credit system the new impulse which it seeks here, and it will soon supply our America with the fruits which it has borne in England.

The effect of all this policy in begetting a passion for periodical distributions of land revenue, or surplus revenue, or extensions of national credit, will be to put the people of this Union into that road which the Romans entered when they commenced a distribution of grain from the public granaries, and ended with putting up the consulship to sale, and the diadem of empire to auction. It is a passion which grows on what it feeds, and becomes insatiate in proportion to what it devours. On this point we have the instruction of our recent experience to guide us, as well as the suggestions of an enlightened forecast to warn us. I have already said that assumption is the child of distribution—the child of the projects and speeches for the distribution of land revenue or surplus revenue—which have excited and tantalized the public mind for so many years past. I have said it was this which stimulated the States into improvident undertakings, rushed them headlong into heavy debts, and turned their eyes upon the national domain, and the Federal Treasury, for succor and relief from their premature burthens. This is what I have said; and now look at the proof in the table of the progressive growth and increase of the State debts which I have already mentioned to you. Here it is. See it. From 1820 to 1825, when none of the distribution schemes had been thought of in Congress, the amount of State debt incurred was only twelve millions and three quarters, in five years—barely two and a half millions per annum—and this confined to the old and populous States, whose resources were adequate to their undertakings, and whose means were equal to the payment of their contracts. In the next period of five years, from 1825 to 1830, the increase of the State debts was at the same slow and moderate

proportion, and confined to the same class of States. Mr. Dickerson's bill for the distribution of the surplus revenue was brought forward during this period; but its instant and peremptory condemnation by the Senate counteracted its influence, and prevented it from having the least effect in stimulating the expenditures of the States, or exciting the spirit of speculation; and the State debts, in these five years, only advanced thirteen and a half millions of dollars; being still at the moderate rate of little more than two and a half millions per annum. The third period from 1830 to 1835, was filled with bills and speeches for the distribution of land revenue, and majorities were found in both Houses of Congress to countenance the projects, and to inflame the passions which they engendered. Then it was that speculation and State debt received a powerful impulse, and the debts of the States made the gigantic stride of forty millions in five years; being at the rate of eight millions of dollars per annum. What was worse, some of the young States began to be infected with the heresy that State debts were State blessings, and rushed into undertakings for which they were not ripe, and for which the credit system had to furnish the means. The fourth period—for I still quote from the invaluable tables of Mr. Flagg—the fourth period only embraced three years and a half, from 1835 to 1837, and a part of 1838; but it covered the period of the cluster of bills for the distribution of the surplus revenue, as it was called, the seductive speeches in their favor, and the dazzling tables of distributive shares, which then filled this chamber, and which took the ultimate form of a deposit with the States. The State debts, in that delusive period, advanced one hundred and eight millions of dollars! counting the twenty-eight millions received from the United States, and the total advance was one hundred and thirty-eight millions! the progressive rate of increase being close on forty millions of dollars per annum. This frightful career of debt involved in its course even the youngest and weakest States, and some of the Territories; and the result of the whole was a larger debt contracted in that brief period by about one-half of the States, than the whole Union owed at the highest point of our national debt for all its wars, and acquisitions of territory—the Revolutionary war, the Louisiana and Florida purchases, all inclusive!

This is what came from stimulating the appetite of the States for public distributions; this is what came from turning their eyes upon the national domain and the Federal Treasury for the payment of their debts. This is the fruit of our land bills, our distribution bills, and our deposit bills; and this is what I said would be their fruit, and a great deal more, during the many years that, almost "*solitary and alone*," I made head against them on this floor. This being the result of our experience, what must be the effect of now surrendering the national domain to the payment of these debts? Certainly to start the States again in a new career of debts, to excite them into extravagance, under the conviction that they are not to pay, and to bring them periodically upon Congress, with fresh demands, until the national domain shall be exhausted; the Federal Treasury emptied, and the credit of the Union reduced to contempt.

I am willing to speak as gently as possible of this deposit act. I wrote its history in advance when I spoke against it at the time of its passage—my friends, all except five, joined in passing it. I denounced it as a disguised distribution, as a mock evasion of the Constitution, and as a curse to the States which were to commence the practice of receiving supplies from the Federal Treasury. It is not my purpose to repeat what I then said, by way of self commendation, but it is pertinent and profitable at present to look to the actual effect of this deposit act upon the States, how it inflamed some with the notion of inexhaustible supplies from the Federal Government; rushed them into debts for unnecessary, or unwise undertakings; engendered a spirit of wasteful extravagance; and, instead of relieving the States from taxes, has largely augmented the burden of taxation. The States, most of them, are, beyond all comparison, infinitely worse off now than they were before they received their unfortunate distribution from the Federal Government. So I declared it would be when the act passed; so I declare it will be again, and worse, if we go on to supply them out of the Federal Treasury. Their relief is in the resort to their own resources, and in the ECONOMY which such a resort begets and enforces.

Such are the faint outlines of the mischiefs of this assumption, disguised and covered up as it may be with the cloak of distribution, or deposit. They are frightful and appalling, and must fill with apprehension the bosom of every friend to the harmony and duration of this Federal Union. But, frightful as they are, there is still another feature to be added to the picture, to increase its deformity, and to perfect its title to unmitigated horror and detestation. That feature is the crowning mischief of foreign interference and foreign influence! Every one knows that these State debts are due in Europe, where they constitute a stock which is sold from hand to hand, and which is greatly depreciated. The elevation of this stock to par, or above, is an object of the first magnitude with the present holders; and the way to elevate it is to extend its basis, and make it the debt of the whole, instead of a part, of the States. Many private letters arriving from Europe had suggested this movement. Many agents, or emissaries, in the interest of the foreign holders, had suggested it here. The whole of our citizens who visited Europe, especially those in public station, were sounded and consulted about it. Finally, things were ripe for a public revelation, and the authentic proposition for the assumption appeared, emanating from one of the most respectable banking houses in London, the head of which is the present Chancellor of the British Exchequer, and a peer of the realm of Great Britain. The house is that of the well known Messrs. Baring, Brothers and Company, and the part of their letter which particularly relates to the assumption is this:

"But if the whole scheme of internal improvements in the Union is to be carried into effect on the vast scale, and with the rapidity lately projected, and by the means of foreign capital, a more comprehensive guarantee than that of individual States will be required to raise so large an amount in so short a time. A national pledge would undoubtedly collect capital together from all parts of Europe; but the forced sales of loans made separately by all the individual States in reckless competition, through a number of channels, render the terms more and more onerous for all, lower the reputation of American credit, and (as reliance is almost exclusively placed on the London market) produce temporary mischief here, by absorbing the floating capital, diverting money from regular business, deranging banking operations, and producing an unnatural balance of trade against this country. It would seem, therefore, as if most of the States must either pause in the execution of their works of improvement, or some general system of combination must be adopted."

Such are the terms of this important letter; very delicately expressed, the proposition hypothetically predicated, and the object handsomely veiled with the seductive show of an accommodation and favor to the United States. Nothing could be more unexceptionable than the language in which these bankers have brought forward their scheme; but it is for us to look at the object distinctly, which they faintly disclose. This object is nothing more nor less than for the United States to become bound, in any way they please, for the payment of the debts of the individual States. It is a great object with these bankers, and with the capitalists of London, Paris, and Amsterdam. The debts are of great amount; they are greatly depreciated; and they are due from parties which present the anomaly of being neither suitable nor coercible, though able to contract, and morally bound to comply with their contracts. The sources of the expected means of payment, namely, the profits from banking, road making, and canal making, must fail with many; and while eventual and full compliance with their bonds may be expected from all, yet a literal and punctual discharge of their obligations must fail on the part of some. All this is known, seen, and felt in Europe: hence the depreciation of the stocks, and hence the natural desire to obtain the guarantee of a party, less anomalous in character, more abundant in means, and more perfect in credit. The object is great; the party inter-

ested in the application is powerful; success to them is worth many tenmillions of dollars; and to have success, they must operate upon the public opinion, and upon the legislation of this country. They must go to the press, to the elections, to the State Legislatures, and to the Congress of the Union. They must operate at all points, upon the individual citizens, and upon the constituted authorities; and they must operate by the means, and the only means, known to the moneyed power. Here then is a case of foreign interference in our affairs, and of foreign influence in our councils, more dangerous to the purity and stability of our institutions, and more to be dreaded by us, than the forcible invasion of our country by foreign fleets and armies. It is a case in which an ass, loaded with gold, is more to be dreaded than the war-horse, whose neck is clothed with thunder.

I do not dilate upon the evils of a foreign influence. They are written upon the historical page of every free Government, from the most ancient to the most modern; they are among those most deeply dreaded, and most sedulously guarded against by the founders of the American Union. The Constitution itself contains a special canon directed against them. To prevent the possibility of this foreign influence, every species of foreign connection, dependence, or employment, is constitutionally forbid to the whole list of our public functionaries. The inhibition is express and fundamental, that "*no person holding any office of profit or trust under the United States shall, without the consent of Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign State*." All this was to prevent any foreign potentate from acquiring partisans or influence in our Government—to prevent our own citizens from being seduced into the interests of foreign powers. Yet, to what purpose all these constitutional provisions against petty sovereignties, if we are to invite the moneyed power which is able to subsidize kings, princes, and potentates; if we are to invite this new and master power into the bosom of our councils, give it an interest in controlling public opinion, in directing Federal and State legislation, and in filling our cities and seats of Government with its insinuating agents, and its munificent and lavish representatives? To what purpose all this wise precaution against the possibility of influence from the most inconsiderable German or Italian prince, if we are to invite the combined bankers of England, France, and Holland, to take a position in our legislative halls, and by a simple enactment of a few words, to convert their hundreds of millions into a thousand millions, and to take a lease of the labor and property of our citizens for generations to come. The largest moneyed operation which we ever had with any foreign power, was that of the purchase of Louisiana from the Great Emperor. That was an affair of fifteen millions. It was insignificant and contemptible, compared to the hundreds of millions for which these bankers are now upon us. And are we, while guarded by the Constitution against influence from an Emperor and fifteen millions, to throw ourselves open to the machinations of bankers, with their hundreds of millions?

It is not the Constitution only, but the whole early history of our Government which is full of this jealousy and precaution against foreign influence. Our Government went into operation with a contest upon this point, and with a division of political parties upon it. The Federalists and the Democracy divided upon it; the former headed by General Hamilton, the latter by Mr. Jefferson. To impose upon us the funding system, the paper system, the banking system, the credit system of England, was the aim of one of the parties; to prevent these impositions was the aim of the other. One party pushed all these systems, with a national debt and a National Bank for their basis; the other labored to preserve the hard money Government which had been made by hard money men; and to prevent that initiation of the British systems, and that connection with these systems, and dependence upon them, which must end in subjecting us to the pecuniary as well as political influence of the English. The Federalists prevailed. The genius of Hamilton, and his position at the head of the Treasury, gave him the victory. The British systems were all imposed upon us, and the result has been precisely what was foreseen by the Democracy forty-five and fifty years ago. We have become the victims of those whose institutions we copied; and thirty years' convulsion of our moneyed system attests the miserable subjection to which we have been reduced. The infamous and traitorous sentiment that *our first duty is to foreigners*, has become the sentiment of enough to make it the action of the country, and to make the Federal Government,

the State Governments, and the people, the victim of its treasonous consequences. From this sentiment it results that our banks are to be broken just as often as it is necessary to break them, to save the banks in England; that our gold and silver must be exported, and our Government and our citizens deprived of specie for marketing, for postages, for travelling expenses, or for taxes, just as often and just as long as the English require our hard money to be sent to them; that all our moneyed operations must be made to depend on the news which the next English steamer may bring out; and that the price of property, labor, and produce, must be made to rise and fall all over the United States precisely as ordered and directed by the moneyed power in London. Our President has faithfully depicted this state of degradation, subjection and injury, in that part of his message in which he says that our money system has its centre in London; that all our banks are linked together by a chain of dependence which ends there; that not only the great cities, but the remote villages of the interior, are linked to this chain; that the establishment of a new bank in the most distant village of our Union immediately places the business of that village within the influence of the money power of England; and that the result of the whole is the periodical convulsions and bank suspensions to which we are subject, and the establishment of a dangerous foreign influence in our bosom. These are the declarations of the President; and these declarations we all know to be a faithful history of what we suffer. We know the curse of our country at this moment, its broken banks, depreciated paper money, and sickening demoralization, is the effect of our subjection to the moneyed oligarchy in England; and that subjection is the fruit of our copying her delusive systems—her paper system and funding system—near fifty years ago. Since the revival of the Democratic party, we have been endeavoring to throw off this subjection, and return to the hard money system created for us by the hard money men who framed what they intended to be a hard money Government. We have made some progress towards this return to the true principles of our Government, when we find ourselves beset by the danger of falling into greater subjection than ever. About one-half of the States have linked themselves to the chain whose end is in London; and the moneyed power in London seizes the opportunity to increase the strength and weight of the chain, by linking all the rest of the States to it. This is the struggle that is now before us, and in which foreign capitalists must find so great a temptation to interfere, and in which they count on the aid of the indebted States to involve the others, and the whole Union, in their own unfortunate condition.

To make head against all these evils, while we are able to do so; to stifle foreign interference in its cradle; to repulse the insidious approach of assumption in the disguise of a land revenue distribution; to enable ourselves to go on with the appropriate business of Congress, I think it right to anticipate the attack, and to put an end to hope and future efforts, by adopting resolutions of the tenor and character which I have had the honor to offer.

Mr. President, in conclusion, permit me to turn one word towards myself for the sake of doing justice to others. Among those events of my life for which I have reason to be thankful, was the circumstance of being admitted into the intimacy and friendship of Mr. Macon and Mr. Randolph at my entrance into this body. I lived in the same house for many years with these two illustrious sages and patriots, and from them I learnt to abhor the paper system of England, fastened upon us by General Hamilton, and to venerate the hard money Government framed for us by our ancestors, and taken from us by the Federalists of near fifty years ago. Our Constitution was pushed from her foundations as she went into operation; she was pushed off the solid rock of hard money, where our ancestors anchored her, and plunged into the tempestuous ocean of paper. It has been tossed near fifty years in that ocean; but is now settling back to her old foundations. The administrations of JACKSON and VAN BUREN are bringing her back; and all my labors now—all my labors for many years—have been directed to that consummation, and to the relief of our country from its degrading, ruinous, and demoralizing dependence on the destructive and delusive paper system of Great Britain. To break the chain which now binds us to the footstool of the moneyed power of London—at all events to prevent that chain from being made heavier and stronger—is one of the objects of submitting these resolutions; and I invoke for them, and for what I have said in their support, the candid consideration of the Senate and the country.